

Message Text

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PAGE 01 VIENNA 02980 01 OF 02 141328Z

45

ACTION IO-13

INFO OCT-01 EUR-12 ISO-00 AF-06 ARA-10 EA-09 NEA-10 L-03

FRB-01 OMB-01 SP-02 USIA-15 AGR-10 AID-05 CIAE-00

COME-00 EB-07 INR-07 LAB-04 NSAE-00 OIC-02 SIL-01

STR-04 TRSE-00 CIEP-02 CEA-01 SS-15 NSC-05 /146 W

----- 062627

R 140830Z APR 76

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 8291

INFO USMISSION GENEVA

USMISSION USUN NEW YORK

UNCLAS SECTION 1 OF 2 VIENNA 2980

EO 11652: N/A

TAGS: UNIDO, PORG, OCON, ILO

SUBJ: UNIDO PERMANENT COMMITTEE SEVENTH SESSION, AGENDA ITEMS
4 AND 5 (A): DELEGATION REPORT NO. 4

REF: A. VIENNA 2845 (NOTAL), (B) STATE 86811 (NOTAL)

1. SUMMARY: THURSDAY, APRIL 8, MORNING AND AFTERNOON
PLENARIES HEARD DELEGATION VIEWS AND SECRETARIAT REPLIES
TO DELEGATION QUERIES ON AGENDA ITEM 4, IMPLEMENTATION OF
THE LIMA DECLARATION AND PLAN OF ACTION (LDPA) AND
DELEGATION VIES ON AGENDA ITEM 5(A), REPORT OF THE
EXECUTIVE DIRECTOR ON ACTIVITIES IN 1975. EXECUTIVE
DIRECTOR, IN DEFENDING HIMSELF AGAINST COMPLAINTS OF
SLOWNESS IN IMPLEMENTING THE LDPA, NOTED THE SHORT TIME
ELAPSED SINCE THE LIMA CONFERENCE AND (HELPFULLY FROM
U.S. POINT OF VIEW) SINCE THE UNGA SEVENTH SPECIAL
SESSION (7SS). THE U.S. STATEMENT PEGGED U.S. INITIATIVES
TO THE 7SS AND SAID THAT U.S. CONTINUES TO HAVE DIFFICULTIES
WITH SPECIFIC ELEMENTS OF THE LDPA. END SUMMARY.

2. SEVERAL DELEGATIONS--INCLUDING U.S., JAPAN,
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PAGE 02 VIENNA 02980 01 OF 02 141328Z

FRANCE, PHILIPPINES, AND TUNISIA--SAID THEY EXPECTED

THEIR GOVERNMENTS WOULD REPLY TO THE EXECUTIVE DIRECTOR'S FEBRUARY 10 LETTER ON STEPS TAKEN TO IMPLEMENT THE LDPA (SEE REFTELS).

3. ITALIAN INTERVENTION CONCENTRATED ON IMPACT OF UNIDO ON EMPLOYMENT. ITALIAN REP PRAISED RECENT ADVANCES IN JOINT UNIDO/ILO DEFINITION OF RESPECTIVE COMPETENCE AND FIELDS FOR COOPERATION DESCRIBED IN CHAPTER VIII OF EXEC. DIR. 1975 ANNUAL REPORT. HE EXPRESSED INTEREST IN DUTCH PROGRAM OF ADJUSTMENT ASSISTANCE AND UNDERLINED THAT ORGANIZED LABOR SHOULD PARTICIPATE IN ANY UNIDO CONSULTATIONS DEALING WITH INTERNATIONAL RELOCATION OF INDUSTRIES. FINALLY, HE SAID THAT UNPRECEDENTEDLY HIGH ENERGY COSTS TENDED TO INTRODUCE STRUCTURAL RATHER THAN CYCLICAL UNEMPLOYMENT INTO DEVELOPED AS WELL AS DEVELOPING COUNTRIES' ECONOMIES.

4. TUNISIAN REP ALSO WELCOMED ILO/UNIDO AGREEMENT BECAUSE HE BELIEVED THAT TRAINING AND QUALIFIED PERSONNEL ARE KEY TO INDUSTRIAL DEVELOPMENT. FRENCH REP PLACED UNIDO ASSISTANCE IN TRAINING AND MANAGEMENT ON A PAR WITH ASSISTANCE IN TECHNOLOGY CHOICE AND ACQUISITION.

5. IN REPLY TO A QUERY CONCERNING UNIDO PARTICIPATION IN THE ILO CONFERENCE ON EMPLOYMENT, INCOME DISTRIBUTION, SOCIAL PROGRESS, AND THE DIVISION OF LABOR, SECRETARIAT (SIDDIQUI) REPLIED THAT UNIDO IS PREPARING PAPERS ON SUCH TOPICS AS MANPOWER ADAPTATION AND TECHNOLOGIES CHOICES AND THAT SECRETARIAT PERSONNEL WILL ATTEND.

6. U.S. AND MALAYSIA DELS REQUESTED ADDITIONAL INFORMATION ON RESULTS OF UNIDO/INTERNATIONAL TRADE CENTER BILATERAL AGREEMENT EFFORTS.

7. FRENCH REP PRAISED UNIDO RECOGNITION OF INTERDEPENDENCE OF DEVELOPED AND DEVELOPING COUNTRIES FAVORABLY QUOTING EXEC. DIR. REPORT, P. 35, TO EFFECT THAT EVEN A MODEST DECLINE IN GROWTH RATES OF INDUSTRIAL NATIONS CAUSED BY GENERAL INFLATION, RISING FUEL PRICES, AND CURRENCY UNCLASSIFIED

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PAGE 03 VIENNA 02980 01 OF 02 141328Z

FLUCTUATIONS HAS A SHARPER IMPACT ON DEVELOPING COUNTRIES INDIRECTLY THAN DO DIRECT INCREASES IN COMMODITY PRICES. NIGERIA JOINED THE DEBATE BY AGREEING WITH PORTIONS OF THE PARA QUOTED BY FRENCH REP BUT DISAGREEING SHARPLY WITH THE ASSERTION ON P. 69 OF THE EXEC. DIR. REPORT THAT THE PRICE OF FERTILIZER IS TIED TO THE COST OF PETROLEUM-BASED PRODUCTS. IN REMARKS RESPONDING TO THIS DEBATE THE EXEC. DIR. ON APRIL 9

SURPRISINGLY TOOK SIDES SAYING HE AGREED WITH THE NIGERIAN DELEGATE AND DISAGREED WITH PART OF HIS OWN REPORT WHICH HAD "SLIPPED THROUGH." (SEE COMMENT BELOW).

8. MOST DELEGATIONS SAID THEY WOULD WAIT UNTIL IDB-X STATE THEIR VIEWSON CONSULTATIONS. THE U.S. MADE INTRODUCTORY COMMENTS TO THE EFFECT OF FAVORING AN EXPERIMENTAL APPROACH IN A FEW SELECTED SECTORS, INCLUDING THE PARTICIPATION OF BUSINESSMEN IN DEVELOPED AND DEVELOPING COUNTRIES WITHOUT CREATING UNNECESSARY NEW ORGANIZATIONAL MACHINERY. TUNISIAN AND TANZANIAN DELS AS DID IRAQI DEL THE DAY BEFORE URGED FORWARD MOVEMENT WITH RESPONSIBLE DEVELOPED COUNTRY LEADERSHIP TO RELOCATE INDUSTRIES IN DEVELOPING COUNTRIES.

9. MANY DEVELOPING COUNTRY DELEGATIONS DESCRIBED CONCRET PROJECTS IN FURTHERANCE OF THE LDPA MANDATE FOR "COOPERATION AMONG DEVELOPING COUNTRIES." FOR EXAMPLE, THE PHILIPPINE DEL DESCRIBED THE WORK OF THE ASEAN GROUP, THE YUGOSLAV DEL DETAILED WORK OF THE JOINT UNIDO/GOY CENTER FOR AGRO-INDUSTRIES AND THE INDONESIAN DEL TOLD OF A MANAGEMENT SYSTEMS SEMINAR IN JAKARTA FINANCED BY A SWEDISH SPECIAL PURPOSE TRUST FUND.

10. THE WAS ALSO UNIVERSAL PRAISE FROM DEVELOPED AND DEVELOPING COUNTRIES FOR MEASURES TO ASSIST LEAST DEVELOPED COUNTRIES. IN A SIDE-SHOW OF THIS DEBATE, THE UK, US, AND JAPAN ALL VIEWED GEOGRAPHICAL POSITION AS ONE CAUSE OF BEING LEAST DEVELOPED RATHER THAN AS AN ADDITIONAL TOUCHSTONE TO WHICH UPPER VOLTA UNCLASSIFIED

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PAGE 04 VIENNA 02980 01 OF 02 141328Z

TOOK STRONG EXCEPTION SUGGESTING THAT THE UK DEL (ONLY) EDUCATE HIMSELF BY READING THE THE LOME CONVENTION.

11. THE PHILIPPINE DEL ENTERED INTO DETAILED CONSIDERATION OF HOW THE PRESENT UNDP FUNDING ARRANGEMENTS LIMIT THE USE OF SPECIAL INDUSTRIAL SERVICES (SIS) IN THE LEAST DEVELOPED COUNTRIES. HE URGED THE UNIDO EXECUTIVE DIRECTOR TO CONTINUE HIS CONSULTATIONS WITH THE ADMINISTRATOR OF UNDP WHICH WERE FIRST REQUESTED BY IDB RESOLUTION 40(VIII) IN ORDER TO SET UP A SEPARATE SIS ACCOUNT IN UNDP WHICH WOULD NOT BE SUBJECT TO THE PRESENT COUNTRY QUOTAS OF THE UNDP SPECIAL MEASURES FUND. AT THE CLOSE OF THE DEBATE THE EXECUTIVE DIRECTOR MADE A GENERAL COMMENT TO THE EFFECT THAT HE WOULD TRY TO USE UNIDO VOLUNTARY FUNDS TO REPLACE ANY UNDP

FUNDS WITHDRAWN FROM ON-GOING PROJECTS IN LEAST DEVELOPED COUNTRIES. THE PHILIPPINE DEL TOOK THE FLOOR AGAIN TO EMPHASIZE THAT THE SIS PROGRAM HAS \$1 MILLION OUT OF \$3.5 MILLION SET ASIDE FOR LEAST DEVELOPED COUNTRIES AND THAT THE UN REGULAR PROGRAM HAS ONE-HALF MILLION DOLLARS OUT OF \$2.5 MILLION FOR THIS SAME PURPOSE. HE CONCLUDED

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PAGE 01 VIENNA 02980 02 OF 02 141330Z

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UNCLAS SECTION 2 OF 2 VIENNA 2980

THAT THE EXEC. DIR. SHOULD MAKE SPECIFIC PROPOSALS TO THE IDB FOR APPROVAL BEFORE EARMARKING VOLUNTARY CONTRIBUTIONS TO MAKE UP TO SHORTFALLS IN UNDP FINANCING OF PROJECTS IN THE LEAST DEVELOPED COUNTRIES. IN THE COURSE OF HIS INITIAL INTERVENTION HE ALSO UNDERLINED THAT THE 1976-77 REVISED PROGRAM BUDGET ESTIMATES SHOULD BE FORMALLY APPROVED BY THE IDB.

12. THE GDR OBSERVER ANNOUNCED TWO JOINT UNIDO/GDR TRAINING COURSES, IN PESTICIDES AND IN INDUSTRIAL PLANNING.

13. THE PHILIPPINE DEL EMPHASIZED THE DESIRABILITY OF HAVING A SINGLE SOURCE WITHIN THE SECRETARIAT FAMILIAR WITH ALL UNIDO ACTIVITIES IN EACH COUNTRY. THE EXEC. DIR. REPLIED THAT A DEPUTY DIRECTOR OF THE

OPERATIONS DIVISION (GOURI) WOULD BE THE PROPER ADDRESS FOR THIS QUESTION. HE ALSO SUGGESTED THAT THE SECTION FOR RELATIONS WITH MEMBER COUNTRIES AND INTERNATIONAL ORGANIZATIONS COULD BE USEFUL (SEE COMMENT BELOW).

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PAGE 02 VIENNA 02980 02 OF 02 141330Z

14. JAPANESE DEL RUGRD LDC'S TO EXAMINE SOCIAL AND ENVIRONMENTAL ASPECTS OF THEIR INDUSTRIALIZATION PROGRAMS. MEXICAN DEL EXPRESSED HIGH HOPES FOR HELPFULNESS TO MEXICAN DEVELOPMENT EFFORT OF THE INTERNATIONAL CENTER FOR INDUSTRIAL STUDIES.

15. SOME DELEGATIONS INCLUDING NIGERIA, PERU, AND ITALY (WITH FINESSE) JOINED EARLIER SWISS AND CZECH APPEALS THAT MORE OF THEIR NATIONALS OR NATIONALS FROM THEIR REGION BE APPOINTED TO PROFESSIONAL POSTS.

16. AGENDA ITEM 4 WAS LEFT OPEN TO ACCOMMODATE NEGOTIATION OF A TRANSFER OF TECHNOLOGY RESOLUTION. TO DATE NO PROCEDURE HAS BEEN ESTABLISHED FOR DEALING WITH THIS LEFT-OVER RESOLUTION. US AND UK THINKING ALONG LINES OF DE NOVO TEXT DEFINING UNIDO ROLE RATHER THAN RESPONSIBILITIES OF GOVERNMENTS.

17. GREECE, OPENING DEBATE ON ITEM 5, SUGGESTED THAT NEXT YEAR'S REPORT INCLUDE TABLES REPORTING DOLLAR VALUE OF ALL UNIDO ACTIVITIES IN EACH COUNTRY SIMILAR TO TABLE K ON THE LEAST DEVELOPED COUNTRIES IN THIS YEAR'S REPORT. HIS SUGGESTION WAS WIDELY ENDORSED BY SUBSEQUENT SPEAKERS ON APRIL 9.

18. COMMENT: KHANE'S UNORTHODOX REPUDIATION OF A PORTION OF HIS OWN REPORT, INCLUDING THE COMMENT THAT HE INTENDED TO ISSUE A CORRIGENDUM, IS THE MORE NOTABLE (1) BECAUSE HE HAD BEFORE HIM AN UNCONTROVERSIAL REPLY TO THE NIGERIAN COMPLAINT WHICH HAD BEEN PREPARED ACCORDING TO STANDARD PROCEDURE BY THE RESPONSIBLE SECRETARIAT OFFICE AND (2) BECAUSE HE REMINDED THE DELEGATES THAT HIS VIEWS WERE RELATED TO HIS PREVIOUS ROLE AS SYG OF OPEC.

19. THE PHILIPPINE DEL'S QUERY ABOUT A SINGLE SOURCE OF COUNTRY INFORMATION ARISES FROM A CONCERN SHARED BY SEVERAL DELEGATIONS THAT THE "COUNTRY DESKS" FOUND IN THE NOW-ABOLISHED TECHNICAL COOPERATION DIVISION (TCD) HAVE NOT BEEN REINSTITUTED IN THE OPERATIONS DIVISION.

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PAGE 03 VIENNA 02980 02 OF 02 141330Z

THE DEPUTY DIRECTOR OF THE OPERATIONS DIVISION WOULD BE HARD PUT TO RESPOND QUICKLY TO DETAILED QUESTIONS SINCE HIS GEOGRAPHICAL OFFICE ORGANIZATION COMPRISES TWO OFFICERS, ONE RESPONSIBLE FOR AFRICA AND ASIA AND THE OTHER FOR EUROPE, LATIN AMERICA, AND THE MIDDLE EAST. ON THE OTHER HAND, IT SEEMS UNLIKELY THAT THE SMALL EXTERNAL RELATIONS OFFICE WHICH IS LOCATED OUTSIDE THE INDUSTRIAL OPERATIONS DIVISION COULD SERVE THE FUNCTION DESIRED OF ASSISTING GOVERNMENTS TO COORDINATE THEIR OWN PROGRAM REQUIREMENTS BY REPLYING TO SUCH QUESTIONS AS TIMING AND AVAILABILITY OF EXPERTS, FELLOWSHIPS, SEMINARS, ETC. THE CONTRARY OPINION THAT COUNTRY DESKS ARE UNNECESSARY RESTS ON THE ARGUMENT THAT COORDINATION SHOULD BE IN THE FIELD EITHER WITH THE UNDP RES. REP. OR WITHIN THE RECIPIENT GOVERNMENT ITSELF. HOWEVER LDC DELEGATIONS TELL US PRIVATELY THAT EVEN DURING THE FEW MONTHS SINCE TDC WAS ABOLISHED, THEY SEEK INFORMATION EITHER FROM SECRETARIAT MEMBERS WHO USED TO BE RESPONSIBLE FOR THEIR COUNTRY WITHIN TDC OR FROM SECRETARIAT MEMBERS FROM THEIR OWN COUNTRY EITHER OF WHICH CONTRIBUTES TO FURTHER PERSONALIZING AN ALREADY HIGHLY INFORMAL, AD HOC BUREAUCRACY. STIBRAVY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LESS DEVELOPED COUNTRIES, INTERGOVERNMENTAL COOPERATION, DEVELOPMENT PROGRAMS, INDUSTRIALIZED NATIONS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976VIENNA02980
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760141-0658
From: VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760460/aaaabzcq.tel
Line Count: 305
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 VIENNA 2845
Review Action: RELEASED, APPROVED
Review Authority: oatisao
Review Comment: n/a
Review Content Flags:
Review Date: 31 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31 MAR 2004 by ellisoob>; APPROVED <01 SEP 2004 by oatisao>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNIDO PERMANENT COMMITTEE SEVENTH SESSION, AGENDA ITEMS 4 AND 5 (A): DELEGATION REPORT NO. 4
TAGS: PORG, OCON, UNIDO, ILO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006